

Powell Bill

Capital Projects

Powell Bill projects are funded by state shared revenues and include the acquisition of land, design and construction and repair of city streets as well as improvements to the drainage system to correct deficiencies. The type and extent of projects within this category are governed by the statutory limitation of the Powell Bill authorizing legislation. Through these projects, the City will continue an aggressive program of resurfacing and road maintenance as well as sidewalk repair and installation. The Capital Budget for the coming year includes expenditures of:

Fiscal Year	Expenditures – Powell Bill
2007-2008	\$2,131,000

Revenues

The primary sources of funding for these projects are Powell Bill grant funds, which are received from the State through the gasoline tax. These grant funds are distributed with 25% of the allocation based on the relative mileage of non-state system or local streets and 75% of the allocation based on relative population. For FY 07-08, the City has budgeted \$1,802,000 in Powell Bill revenue. Revenue is also received from assessments and interest income and reimbursements for the State of North Carolina for improvements as per various municipal agreements.

Expenditures

There is a total of \$2,131,000 budgeted for street and drainage improvements in the Powell Bill Fund. The Capital Budget includes \$750,000 for street resurfacing maintenance and improvements. Funds are also included for continuation of sidewalk repairs (\$75,000), sidewalk construction and intersection improvements in conjunction with the Congestion Management Air Quality (CMAQ) program (\$256,000), railroad crossings/traffic separation (\$175,000), downtown enhancements SAFETEA grant match (\$100,000), and pavement marking (\$35,000). The Powell Bill Fund will make a contribution to the General Fund to cover Powell Bill eligible street maintenance (\$300,000) and a contribution to the Stormwater Fund for eligible drainage repair and replacement work (\$300,000).

Powell Bill

Project Description and Impact

Resurfacing Program – This is the annual project to rehabilitate and resurface existing City maintained streets. Improvements typically include pavement patching, curb and gutter repair, utility casting adjustments, pavement resurfacing and new pavement markings.

SAFETEA Grant Match – This project provide funding for the City's required match as part of the Federal Transportation Bill (SAFETEA-LU) which is a grant to fund improvements within downtown. Funds provided under this project will be used to pay for Powell Bill eligible projects proposed s part of the downtown improvements.

Traffic Separation Mitigation – The City has entered into a Traffic Separation Study with the NCDOT and the railroads operating in the City. The study recommended the closure of certain rail crossings and the construction of projects, which would mitigate the impact of the crossing closures.

Sidewalk Repair – This project will work toward the repair of city sidewalks in poor condition. A recent sidewalk inventory recommended the replacement of 10% of the City's sidewalk and through this project the work will be accomplished over a ten-year period.

Congestion Management Air Quality – Designated as a non attainment area for air quality, the City qualifies for grant funding for projects enabling the reduction of air pollution. This budget includes the first of three years of programmed funding for projects that include the construction of new sidewalks and improvements to several intersections.

Charges for Service – General – The Powell Bill Fund will provide funding for work performed in the General Fund that are Powell Bill eligible activities such as drainage and street repair.

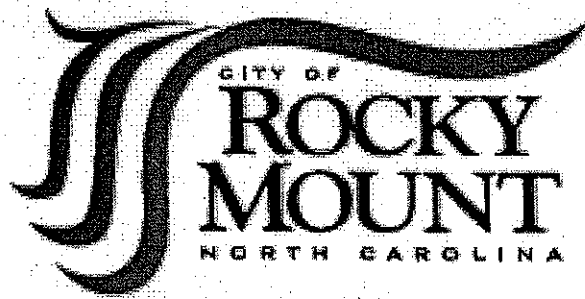
Stormwater Contribution – The Powell Bill Fund will make a contribution to the Stormwater Fund for eligible drainage work.

Note: More detail about each of these projects may be found in the Capital Improvement Program found under a separate cover.

Powell Bill

Capital Projects

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
Current Operating				
421004 Street Markings	40,430	25,000	25,000	35,000
435004 Repairs-Sidewalks	17,087	100,000	100,000	75,000
439906 Other Services-Study	102,527	126,470	126,470	-
469500 Grant Match-SAFETEA	-	-	-	140,000
Current Operating Total	160,044	251,470	251,470	250,000
Other Expenses				
480011 Charges For Services-General	350,000	450,000	450,000	300,000
Other Expenses Total	350,000	450,000	450,000	300,000
Transfers				
498045 Interfund Transfer-Fund 450	-	68,000	68,000	-
498064 Interfund Transfer-Fund 640	400,000	400,000	400,000	300,000
Transfers Total	400,000	468,000	468,000	300,000
Capital Outlay				
555900 Road Resurfacing	721,762	1,428,800	1,428,800	850,000
555901 E1001 NCDOT Match-Spring	-	100,000	-	-
555901 NCDOT Match Projects	133,052	36,400	136,400	-
555902 Regulatory Sign Replacement	-	50,000	50,000	-
555910 FOUNT Roadway & Pavement	-	600,000	-	-
555910 Roadway & Pavement	94,741	37,000	37,000	-
555912 Dirt Street Paving	178,243	61,750	61,750	-
559004 Traffic/Signal System Improvements	485	50,000	50,000	-
559100 Traffic Separation Mitigation	-	135,000	135,000	175,000
559700 Sidewalks	6,084	393,900	393,900	256,000
Capital Outlay Total	1,134,367	2,892,850	2,292,850	1,281,000
	2,044,411	4,062,320	3,462,320	2,131,000



General

Capital Projects

The General Capital Projects budget covers the construction and renovation of a wide variety of public facilities, the acquisition of new and replacement equipment and downtown area improvements. This category includes capital projects funded through the General Fund, such as Public Safety, Parks and Recreation and Public Works.

<u>Fiscal Year</u>	<u>Expenditures – General</u>
2007-2008	\$1,825,000

Revenues

Revenues to fund these projects come from several sources. The funding composition changes from year to year, depending on the projects scheduled and the available financing alternatives. Funding sources include sales taxes, debt, and part of the profits from the Refuse Transfer Station.

Expenditures

There is a total of \$1,925,000 recommended for the General Capital Fund. Each year there are more projects recommended than there are resources to pay for them. Funds are included for field service complex improvements that involves the acquisition of property (\$25,000), refurbishing the cooling tower at the Train Station (\$80,000), improvement to the Senior Center building (\$50,000), and improvement to community center buildings (\$150,000). Funds are included for the City's participation in the local library (\$672,000) and debt financing fees related to the Imperial Centre financing arrangement (\$100,000). Amounts are budgeted to purchase a fire pumper truck (\$440,000) and to determine feasibility of a public safety training facility (\$15,000). There is also funding for the Douglas Block section 108 loan repayment (\$100,000).

Summary of General Capital:

Downtown Projects	\$	0
General Projects	\$	105,000
Public Safety Projects	\$	455,000
Parks & Recreation Projects	\$	1,165,000
Economic Development Projects	\$	100,000
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Total General Capital	\$	1,825,000

Project Descriptions and Impact

General

Field Services Complex – This project provides for improvements at the Field Service Complex. During the multiple phases of this project work will include the acquisition of the Person property, installation of a gate controller and paving and landscaping parking lots.

Train Station Cooling Tower – This project will refurbish the cooling tower at the Train Station by replacing the main operating tank, valving, and piping. This equipment is corroding badly even with water treatment at a high level due to its location at the end of a water main and environmental conditions.

Public Safety

Fire Equipment – This project is to replace a 1992 Pumper to improve primary service operations. Following replacement, the 1992 Pumper will be used as a stand-by unit that will allow for the retirement of a 1983 Pumper featuring an open cab that provides minimal roll-over protection in crash situations and does not comply with NFPA standards.

Public Safety Training Facility – This project involves examining the feasibility of converting property owned by the City to be vacated by the Council of Government this fall into a training facility by the Police and Fire Departments. This is necessary due to the loss of facilities at the John Sykes Training Facility on Atlantic Avenue as a result of the flood of 1999.

Cultural

Senior Citizens Center – This project will provide for repairs and improvements to the former YMCA building. The building is in poor condition and repairs are needed to the roof, elevator, plumbing, bathrooms, and overall interior.

Community Centers – This project will provide funding for replacing the roof at the RM Wilson Gym.

Braswell Library – These funds provide the City's share of the lease payments for the Braswell Library. The City, Nash County, and Edgecombe County jointly fund the facility.

Imperial Center Other Debt – The Imperial Centre financing arrangement calls for payment of financing fees known as operating reserves. These funds provide for payment of these fees.

Interfund Transfer – Several projects that are part of the Capital Improvement Program will be adopted as project ordinances due to their nature as multi-year initiatives and heavy reliance on outside funding. Funds are budgeted to provide City contributions as scheduled for these projects, which include the Douglas Block redevelopment, BTW/OIC redevelopment, Happy Hill neighborhood redevelopment, and improvements to Battleboro Park.

Project Descriptions and Impact

Economic Development

Section 108 Loan Repayment – Funds from this project will be used to repay the Federal Section 108 loan. This loan is \$1.8 million and will be repaid over 20 years. The loan will be used to revitalize the Douglas Block. The debt service is to repay by the general fund and the Community Development Block grant.

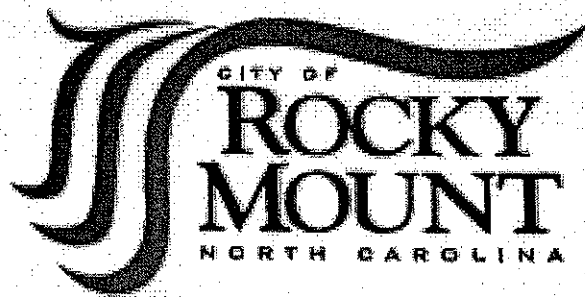
Note: More detail about each of these projects may be found in the Capital Improvement Program found under a separate cover.

General Capital Fund

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
Downtown Development				
Current Operating				
444055 Design Plan	-	280,000	200,000	-
469009 Demolition	-	60,000	115,000	-
Current Operating Total	-	340,000	315,000	-
Capital Outlay				
559300 Landscaping	-	-	25,000	-
Capital Outlay Total	-	-	25,000	-
	-	340,000	340,000	-
General				
Current Operating				
435104 Repairs-Bldg-OIC	-	19,527	20,000	-
439919 Cost of Collection	22	-	-	-
Current Operating Total	22	19,527	20,000	-
Capital Outlay				
558000 Buildings, Structures, Improvements	136,100	-	-	80,000
559000 Other Structures, Improvements	-	15,710	25,000	25,000
Capital Outlay Total	136,100	15,710	25,000	105,000
	136,122	35,237	45,000	105,000
Public Safety				
Capital Outlay				
554207 Squad Truck	-	350,000	350,000	-
555200 Fire Equipment	-	-	-	440,000
558000 Buildings, Structures, Improvements	65,665	534,350	434,350	15,000
Capital Outlay Total	65,665	884,350	784,350	455,000
	65,665	884,350	784,350	455,000

General Capital Fund

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
Parks & Recreation				
Current Operating				
439954 Memorial Tree Purchases	5,588	2,500	2,500	-
469500 108 Loan Repayment	92,000	-	-	-
469500 BATPK Match-Battleboro Par	-	25,000	25,000	-
469500 BBQPK Grant Match	50,000	25,000	25,000	-
Current Operating Total	147,588	52,500	52,500	-
Fixed Charges & Services				
475000 Other Debt-Imperial Centre	-	100,000	100,000	100,000
476015 Lease Payments-Building	716,632	694,100	694,100	672,000
Fixed Charges & Services Total	716,632	794,100	794,100	772,000
Transfers				
498046 Interfund Transfer-Fund 460	-	45,063	-	193,000
Transfers Total	-	45,063	-	193,000
Capital Outlay				
551100 Art Work	15,000	-	-	-
555500 Other Equipment	300,000	-	-	-
555510 Recreation Equipment	-	36,295	-	-
558000 Buildings, Structures, Improvements	59,315	37,500	37,500	50,000
558002 Buildings-Major Repairs	-	61,705	120,000	150,000
559000 Other Structures, Improvements	13,404	-	-	-
Capital Outlay Total	387,719	135,500	157,500	200,000
	1,251,939	1,027,163	1,004,100	1,165,000
Economic Development				
Current Operating				
469014 108 Loan Repayment	-	35,100	50,000	100,000
Current Operating Total	-	35,100	50,000	100,000
Capital Outlay				
559000 Other Structures, Improvements	2,542	1,600	-	-
Capital Outlay Total	2,542	1,600	-	-
	2,542	36,700	50,000	100,000
General Capital Fund Total	1,456,268	2,323,450	2,223,450	1,825,000



Debt Service Summary

The City of Rocky Mount has general obligation bonds outstanding, used to finance the acquisition and construction of major capital facilities for the Enterprise Funds, which are budgeted within the Debt Service Fund. Additionally, the Debt Service Fund includes the city contribution to the Nash - Rocky Mount Board of Education. General Obligation Bonds are direct obligations of the City of Rocky Mount and pledge the full faith and credit of the City. These bonds generally are issues as 25-year serial bonds with equal amounts of principal maturing each year as follows:

1998 Water and Sewer Refunding Bonds due in annual installments of \$1,585,000 to 2,060,000; maturing through 2010; interest at 4.25 and 5.0%. \$5,535,000

The annual requirements to retire outstanding principal (\$5,535,000) and interest (\$541,125) on outstanding general obligation bonded indebtedness as of June 30, 2007, as follows:

Year Ending	<u>Bond</u>	Interest
	<u>Obligation</u>	
	Principal	
2008	1,875,000	267,375
2009	1,845,000	183,000
20010	1,815,000	90,750
	\$5,535,000	\$541,125

For the 8th consecutive year, the City maintained its A1 bond rating from Moody's Investor Services and A+ from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of the City. This achievement is a primary factor in keeping interest costs low on the City's outstanding debt.

School Debt:

During FY 1991-1992, the North Carolina General Assembly enacted legislation to provide for the merger and consolidation of the School Administrative Units in Nash County and the City of Rocky Mount. The legislation created the "Nash-Rocky Mount Board of Education" and became effective on July 1, 1992. The Board was given the responsibility to operate and administer all of the public schools in the Nash-Rocky Mount School Administrative Unit with funding originating from Edgecombe and Nash Counties and the City. The City was required to contribute \$5,000,000 in 10 equal installments of \$500,000 each beginning July 1, 1992. All payment under this portion of the arrangement has been paid.

Debt Service Summary

Concurrently, the City has also agreed to contribute an amount equal to the current appropriation per student differential occurring between Nash and Edgecombe Counties each year, indefinitely. The FY 07-08 budget includes \$429,185 for this payment in the Debt Service Fund.

Computation of Legal Debt Margin As of June 30, 2005

Assessed Valuations:

City of Rocky Mount Assessed Value	<u>\$3,068,079,978</u>
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Legal Debt Margin ⁽¹⁾

Debt limitation - 8% of Assessed Value	<u>\$245,446,398</u>
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Debt Applicable to Limitation

Total Outstanding Bonded Debt as of 6/30/2005	<u>\$7,450,000</u>
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Less - Statutory Deductions ^{(2), (3)}

General Obligation Bonds for Water Purposes	\$3,210,656
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General Obligations Bonds for Sewer System Purposes	<u>\$4,239,344</u>
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Total - Statutory Deductions	<u>\$7,450,000</u>
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Total Debt Applicable to Limitation

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Legal Debt Margin

\$245,446,398

(1) North Carolina General Statute 150-55 (c) limits the City's net debt to 8% of the appraised value of property subject to taxation within the City.

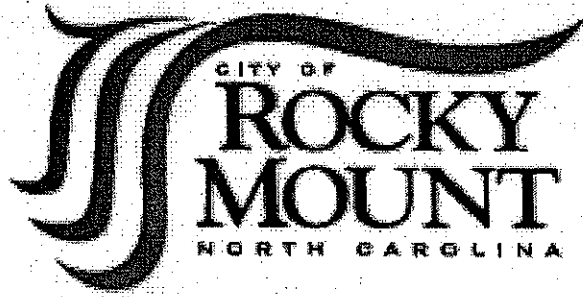
(2) North Carolina General Statute 159-55 (c) (2) exempts bonds issued for electric system and water system from inclusion in the calculation of legal debt margin.

(3) North Carolina General Statute 159-55 (c) (3) exempts bonds issued for sanitary sewer system purposes from inclusion in the calculation of legal debt margin.

Debt Service Fund

Debt Service

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
Fixed Charges & Services				
471062 Bond Principal-Water	840,373	825,289	825,289	808,650
471063 Bond Principal-Sewer	1,109,627	1,089,711	1,089,711	1,066,950
472062 Bond Interest-Water	188,517	151,541	151,541	128,090
472063 Bond Interest-Sewer	248,918	200,094	200,094	198,410
475000 Other Debt	875,293	1,193,133	1,193,133	429,185
Fixed Charges & Services Total	3,262,728	3,459,768	3,459,768	2,631,285
	3,262,728	3,459,768	3,459,768	2,631,285



Emergency Telephone Fund

This fund is used to include the proceeds from the monthly 911 charge. This charge is imposed on each exchange access facility subscribed to by telephone and cellular subscribers whose exchange access lines are in the area served or which would be served by 911 services. These funds may be used to pay for:

- Lease, purchase, or maintenance of emergency telephone equipment, including necessary computer hardware, software and database provisioning, addressing and non-recurring costs of establishing a 911 system, and
- Rates associated with the service supplier's 911 service and other service supplier recurring charges.
- Funds are included to purchase a Reverse 911 system.

Emergency Telephone Fund

E-911 Maintenance

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
Current Operating				
429900 Supplies-Miscellaneous	-	25,000	25,000	25,000
435200 Repairs-Equipment	-	5,000	5,000	5,000
Current Operating Total	-	30,000	30,000	30,000
Fixed Charges & Services				
444000 Maint & Service Contract	186,883	270,000	250,000	280,000
Fixed Charges & Services Total	186,883	270,000	250,000	280,000
Capital Outlay				
552000 Computer Equipment	16,906	80,000	80,000	80,000
Capital Outlay Total	16,906	80,000	80,000	80,000
	203,789	380,000	360,000	390,000

Canteen/Scholarship Fund

This fund is used to account for transactions related to assets held by the city as an agency for individuals and other governmental units.

Projects budgeted include:

- Canteen expenses for City Facilities
- Police Training expenses
- Crime Prevention Donations
- Human Relation Program costs
- Fire Training expenses
- Fire Rescue House
- Scholarships
- Federal, State and Local Drug expenditures
- Down East Festival
- Project Graduation

Canteen Fund

Canteen

	FY 2005-06 Actual	FY 2006-07 Budget	FY 2006-07 Projected	FY 2007-08 Adopted
Other Expenses				
449503 Canteen-City Hall	2,233	5,221	2,700	5,900
449504 Canteen-Environmental Serv	100	470	-	730
449505 Canteen-Fire	-	3,900	-	3,900
449506 Canteen-Fleet	200	1,160	410	990
449508 Canteen-Parks & Rec	1,892	20,430	10,800	26,400
449509 Canteen-Pg&W	300	1,870	270	1,980
449510 Canteen-Sewer Plant	-	380	-	720
449511 Canteen-Streets	-	120	120	130
449514 Canteen-Crime Prevention	-	160	-	230
449515 Canteen-D.A.R.E.	7,707	16,764	5,900	20,820
449516 Canteen-Down East Festival	33,246	39,600	36,400	40,000
449517 Canteen-Recreation Scholar	-	-	-	11,000
449518 Canteen-Federal Drug Funds	8,584	184,054	9,600	201,800
449519 Canteen-State Drug Funds	54,239	205,700	55,000	145,000
449520 Canteen-Emp Emergency	1,000	970	980	1,000
449521 Canteen-Fire Education Hou	-	11,936	-	14,550
449522 Canteen-Fire Training	6,762	30,000	4,100	4,200
449523 Canteen-Greenway	-	5,850	-	5,850
449524 Canteen-Down East Football	7,575	17,960	8,900	18,000
449525 Canteen-Kings Dominion Tickets	32,918	32,558	31,800	-
449526 Canteen-Literacy Council	-	8,840	-	8,840
449528 Canteen-Martin Luther King	7,149	39,300	4,900	38,500
449529 Canteen-Mayors Comm Drug/A	-	130	-	130
449531 Canteen-Special Events	25,770	35,400	14,900	50,000
449534 Canteen-Schlrshp-Fireman G	-	11,750	-	12,300
449535 Canteen-Schlrshp-Fs Wilkin	10,565	13,300	3,050	500
449536 Canteen-Schlrshp-J Rooks	-	400	-	420
449537 Canteen-Schlrshp-J Sykes	1,844	19,100	1,100	19,200
449538 Canteen-Teen Club	-	170	-	180
449539 Canteen-Youth Sports	1,432	7,339	1,560	7,320
449540 Canteen-Veh Accidend Revie	-	2,200	-	2,800
449541 Canteen-Gas Association	-	1,800	-	1,830
449543 Canteen-KAB	1,075	3,600	2,700	4,700
449546 Canteen-Z Smith Reynolds	3,526	-	-	-
449547 Canteen-Youth Council	4,171	5,014	5,000	7,300
449548 Canteen-Fire Rescue House	1,888	6,700	2,170	3,900
449549 Canteen-Downtown Development	2,510	5,378	4,660	15,300
449550 Canteen-Friends Sports Complex	-	-	-	680
Other Expenses Total	216,686	739,524	207,020	677,100
	216,686	739,524	207,020	677,100